

AMENDED IN SENATE JUNE 25, 2012

AMENDED IN ASSEMBLY MAY 1, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2514

Introduced by Assembly Member Bradford

February 24, 2012

An act to *amend Section 2827.8 of, and to add and repeal Section 2827.1 of, the Public Utilities Code, relating to electricity.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2514, as amended, Bradford. Net energy metering.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Existing law, relative to private energy producers, requires every electric utility, as defined, to make available to an eligible customer-generator, as defined, a standard contract or tariff for net energy metering on a first-come-first-served basis until the time that the total rated generating capacity of renewable electrical generation facilities, as defined, used by eligible customer-generators exceeds 5% of the electric utility's aggregate customer peak demand. *The existing definition of an eligible customer-generator requires that the generating facility use a solar or wind turbine, or a hybrid system of both, and have a generating capacity of not more than one megawatt.* Electrical corporations are an electric utility for these purposes.

This bill would require the commission to complete a study by June 30, 2013, to determine the extent to which each class of ratepayers and each region of the state receiving service under the net energy metering tariff is paying the full cost of the services provided to them by electrical

corporations, the extent to which those customers pay their share of the costs of public purpose programs, and the benefits of net energy metering. The bill would require the commission to report the results of the study to the Legislature within 30 days of its completion.

Existing law establishes separate requirements for wind energy co-metering that provides a credit against the generation component of an electricity bill of an electric utility for those customer-generators utilizing a wind energy project greater than 50 kilowatts, but not exceeding one megawatt. The wind energy co-metering provisions include a requirement that the eligible customer-generator utilize a meter, or multiple meters, capable of separately measuring electricity flow in both directions.

This bill would state that nothing in the wind energy co-metering provisions precludes the use of advanced metering infrastructure devices.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 2827.1 is added to the Public Utilities
2 Code, to read:
3 2827.1. (a) By June 30, 2013, the commission shall complete
4 a study to determine the extent to which each class of ratepayers
5 and each region of the state receiving service under the net energy
6 metering tariff authorized pursuant to Section 2827 is paying the
7 full cost of the services provided to them by electrical corporations,
8 the extent to which those customers pay their share of the costs of
9 public purpose programs, and the benefits of net energy metering.
10 In evaluating program costs and benefits for purposes of the study,
11 the commission shall *consider all electricity generated by*
12 *renewable electric generating systems, including the electricity*
13 *used onsite to reduce customers consumption of electricity that*
14 *otherwise would be supplied through the electrical grid, as well*
15 *as the electrical output that is being fed back to the electrical grid*
16 *for which the customer receives credit or net surplus electricity*
17 *compensation under net energy metering. The commission shall*
18 use the peak demand reported by those electric utilities filing a
19 Form No. 1 with the Federal Energy Regulatory Commission to
20 determine aggregate customer peak demand, and shall use the

1 Energy Commission's alternating current ratings to determine the
2 total generating capacity of eligible customer-generators, for
3 purposes of calculating the 5-percent limitation in paragraphs (1)
4 and (4) of subdivision (c) of Section 2827.

5 (b) (1) The commission shall report the results of the study to
6 the Legislature within 30 days of its completion.

7 (2) The report shall be submitted in compliance with Section
8 9795 of the Government Code.

9 (3) Pursuant to Section 10231.5 of the Government Code, this
10 section is repealed on July 1, 2017.

11 *SEC. 2. Section 2827.8 of the Public Utilities Code is amended*
12 *to read:*

13 2827.8. Notwithstanding any other provisions of this article,
14 the following provisions apply to an eligible customer-generator
15 utilizing wind energy co-metering with a capacity of more than
16 50 kilowatts, but not exceeding one megawatt, unless approved
17 by the electric service provider.

18 (a) The eligible customer-generator shall be required to utilize
19 a meter, or multiple meters, capable of separately measuring
20 electricity flow in both directions. *Nothing in this section precludes*
21 *the use of advanced metering infrastructure devices.* All meters
22 shall provide "time-of-use" measurements of electricity flow, and
23 the customer shall take service on a time-of-use rate schedule. If
24 the existing meter of the eligible customer-generator is not a
25 time-of-use meter or is not capable of measuring total flow of
26 energy in both directions, the eligible customer-generator is
27 responsible for all expenses involved in purchasing and installing
28 a meter that is both time-of-use and able to measure total electricity
29 flow in both directions. This subdivision shall not restrict the ability
30 of an eligible customer-generator to utilize any economic incentives
31 provided by a government agency or the electric service provider
32 to reduce its costs for purchasing and installing a time-of-use meter.

33 (b) The consumption of electricity from the electric service
34 provider for wind energy co-metering by an eligible
35 customer-generator shall be priced in accordance with the standard
36 rate charged to the eligible customer-generator in accordance with
37 the rate structure to which the customer would be assigned if the
38 customer did not use an eligible wind electrical generating facility.
39 The generation of electricity provided to the electric service
40 provider shall result in a credit to the eligible customer-generator

- 1 and shall be priced in accordance with the generation component,
- 2 excluding surcharges to cover the purchase of power by the
- 3 Department of Water Resources, established under the applicable
- 4 structure to which the customer would be assigned if the customer
- 5 did not use an eligible wind electrical generating facility.

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